GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

STARRED QUESTION NO:291
ANSWERED ON:22.03.2017
Promotion of Digital Transactions
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of Electronics & Information Technology be pleased to state:

(a) whether the Government is aware that the online payment system is not foolproof and open to potential attack by cyber thieves who can wipe out millions of rupees bypassing the weak firewalls and if so, the details thereof;

(b) whether Government is planning to float rules for operation of e-wallets;

(c) if so, the details thereof and the objective behind the move;

(d) whether the Government has drafted a consultation paper in this regard which will be shared with consumers and merchants so that they could voice their worries about the new payment system; and

(e) if so, the details thereof

Answer

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERED TO IN REPLY TO LOK SABHA STARRED QUESTION *291 FOR 22.03.2017 REGARDING PROMOTION OF DIGITAL TRANSACTIONS
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(a): With the increase in digitization the cyber attacks are also growing worldwide. Strengthening of cyber security is a continuing process. It is the primary responsibility of agencies involved in online payment to maintain adequate cyber security of their payment systems to avoid any mishap. Besides, Govt. has taken several steps towards enabling a secure online payment systems. Some of the steps taken in this regards are as follows:
(i) CERT-In issues alerts and advisories regarding latest cyber threats/vulnerabilities alongwith countermeasures to create awareness among stakeholders to take appropriate measures to ensure safe usage of digital technologies. Regarding securing digital payments, 21 advisories have been issued for users and institutions.
(ii) In addition, all authorised entities/banks issuing Prepaid Payment Instruments (PPIs) in the country have been advised by Indian Computer Emergency Response Team (CERT-In) through the Reserve Bank of India to carry out audit by the empanelled auditors of CERT-In on a priority basis and take immediate steps thereafter to comply with the findings of the audit report and ensure implementation of security best practices.
(iii) All organizations providing digital payment services have been mandated to report cyber security incidents to CERT-In expeditiously.
(iv) Reserve Bank of India (RBI) carries out IT Examination of banks separately from the regular financial examination of banks from last year. This report has a special focus on cyber security. The reports have been issued to the banks for remedial action.
(v) RBI has also set up Cyber Crisis Management Group to address any major incidents reported including suggesting ways to respond and recover to/ from the incidents.
(vi) Department of Banking Supervision under RBI also conducts cyber security preparedness testing among banks on the basis of hypothetical scenarios with the help of CERT-In.
(vii) RBI also has set up an IT subsidiary, which would focus, among other things, on cyber security within RBI as well as in regulated entities. The subsidiary is in the process of recruiting the experts.
(viii) RBI has issued circular on 09th December 2016 in Security and Risk mitigation measure for all authorised entities / banks issuing Prepaid Payment Instrument (PPI) in the country.
(ix) In addition, RBI issues Circulars/advisories to all Commercial Banks on phishing attacks and preventive / detective measures to tackle phishing attacks.
(x) RBI has set up a Cyber Security and IT Examination (CSITE) cell within its Department of Banking Supervision in 2015.
(xi) RBI has issued a comprehensive circular on Cyber Security Framework in Banks on June 2, 2016 covering best practices pertaining to various aspects of cyber security.

(b), (c), (d) and (e) : Ministry of Electronics & Information Technology (MeitY) has formulated draft rules on Security of Prepaid Payment Instruments under Information Technology Act, 2000. The objective of the proposed rules is to ensure adequate integrity,

security and confidentiality of electronic payments effected through electronic prepaid payment instruments. The draft rules have been published on MeitY website inviting comments from public at large and all stakeholders.

MeitY has held a consultation meeting with PPI Issuers and related Industry Associations on 8th March 2017 to brief them on the salient features of the proposed draft rules on Security of Prepaid Payment Instruments under the Information Technology Act 2000. All the stakeholders have been requested to provide comments on the draft rules

Further, the Reserve Bank of India is undertaking a comprehensive review of the Prepaid Payment Instrument guidelines which also addresses the requirements for safety and security, customer service and protection aspects, risk mitigation measures, complaint redressal mechanism etc. The revised guidelines will be issued shortly by RBI.
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